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William P. Bundy

3 January 1955

QUARTERLY REPORT OF INTELLIGENCE SUPPORT FOR NSC POLICY PAPERS

OCTOBER - DECEMBER 1954 (QR-2)

I. POLICY PAPERS CONSIDERED OR ACTED ON BY THE COUNCIL ON WHICH SPECIFIC INTELLIGENCE SUPPORT WAS RENDERED.

1. Basic National Security Policy (NSC 5440 - tentative, 13 December)

NIE 11-4-54 - Soviet Capabilities and Probable Courses of Action Through Mid-1959 - 14 September 1954

NIE 11-6-54 - Soviet Capabilities and Probable Programs in The Guided Missile Field - 5 October 1954

2. Evaluation of Net Capabilities (pursuant to NSC 5423, 23 June, submitted 4 November 1954)

Continental Defense. The Council on 24 November discussed Progress Reports on NSC 5408 and adopted certain recommendations submitted by the Planning Board.

SNIE 11-8-54 - Probable Warning of Soviet Attack on the US Through Mid-1957 - 14 September 1954

SNIE 11-7A-54 - Soviet Gross Capabilities for Attacks on US and Key Overseas Installations Through 1 July 1957 - 14 September 1954

3. Current US Policy in the Far East (NSC 5429/5, 22 December)

NIE 10-7-54 - Communist Courses of Action in Asia Through 1957 - 23 November 1954

SNIE 100-6-54 - World Reactions to Certain US Courses of Action Against Communist China - 28 November 1954

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4. Chinese Nationalist Offshore Islands (Oral Discussion - 6 October and prior meetings)

- SNIE 100-4-54 - The Situation with Respect to Certain Islands Off the Coast of Mainland China - 4 September 1954
- SNIE 100-4/1- 54 - The Situation with Respect to the Nationalist Occupied Islands Off the Coast of Mainland China - 10 September 1954
- NIE 43-54 - Probable Developments in Taiwan Through Mid-1956 - 14 September 1954

5. Indochina (Oral - 22, 26 October and continuing at other meetings)

- SNIE 63-6-54 - Current Trends in South Vietnam - 15 September 1954
- NIE 63-7-54 - Probable Developments in South Vietnam, Laos, and Cambodia - 23 November 1954

6. South Asia (Afghanistan) (NSC 5409 revised 9 December)

- NIE 53-54 - Outlook for Afghanistan - 19 October 1954
- AD/NE memo - Prospects for Afghan-Pakistani Confederation -  
for DCI 15 October 1954

7. US Policy Toward French North Africa (NSC 5436/1, 18 October)

- NIE 71-54 - Probable Developments in North Africa - 31 August 1954

II. OTHER MAJOR MATTERS CONSIDERED, ON WHICH SPECIFIC INTELLIGENCE SUPPORT WAS NOT REQUIRED

8. Periodic Review of Military Assistance Program. On 14 October the Council adopted NSC 5434/1 establishing procedures for NSC review of the military assistance program.

9. Expansion of German Labor Service Organization was considered on 14 October and NSC 5435/1 was approved to govern such expansion.

10. Position Regarding Arms Reduction was discussed at the 28 October meeting. A report for Council consideration at an early date is now under preparation.

11. A Uniform Clearance Program For "Part-Time" Federal Employees was discussed on 9 November. The tentatively approved policy is NSC 5437/1.

12. Anti-Trust Laws Affecting Activities Outside the US. On 9 November a preliminary report was discussed and the Attorney General was requested to consider legislation to encourage operations of US companies outside the US.

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13. Transmittal of Information to the IAC Watch Committee. On DCI's recommendation a directive (NSC 5438) was issued on 30 November which requires all pertinent agencies to make available to the Watch Committee information and intelligence pertinent to its mission.

14. US Rubber Policy (Indonesia). On 9 December the Council agreed that action to implement the US assistance program to Indonesian rubber producers, NSC 5417/3, should be suspended for about 6 months.

### III. MAJOR ITEMS PENDING BEFORE THE COUNCIL AND PLANNING BOARD.

15. Formosa. On 13 January the Council is expected to consider NSC 5441, intended to supersede policy adopted November 1953. NIE 43-54 (see I, 4, page 2) will support.

16. Iran. The Planning Board's draft revised policy will be considered by the Council in January. NIE 34-54, Probable Developments in Iran Through 1955, 7 December 1954, will support.

17. Japan. On 9 December the Council noted that the Planning Board would draft a revised policy for Council consideration in January. NIE 41-54, Probable Developments in Japan Through 1957, 10 August 1954, will support. ONE Board memorandum to DCI of 16 December on Japanese Trade with Communist China contributed to Planning Board deliberations, and this aspect will be amplified in NIE 100-55, Controls over Trade with Communist China, scheduled for IAC consideration and adoption on 11 January.

18. Asian Economic Grouping. An ad hoc committee, with DD/I as CIA representative, is preparing a report for Council consideration in January.

19. Indochina is on the Council agenda for January.

20. Exploitation of Soviet Vulnerabilities will receive Planning Board final consideration on 3 January preparatory to Council discussion on the 20th.

21. Far East Country Papers. On 5 January the Planning Board is scheduled to commence the conforming of individual country papers to the over-all Far East policy paper.

22. Turkey is expected to receive Planning Board attention early in 1955.

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